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Crackdown in China puts U.S. trade in peril

By Tom Bagsarian

INTERNATIONAL REPORT — Builders Emporium is scheduled to receive 15 containers of ceiling fans from China in September.

Simon Bhadiya, import coordinator for the 119-unit chain based in Irvine, Calif., doesn't expect the shipment to be delayed by the turmoil now gripping China. "But who knows?" he asks.

Retailers and suppliers in the U.S. who export to and import from China express the same perplexity about how their businesses might be affected by last month's brutal crackdown of pro-democracy students in Beijing by the Chinese government.

Most industry officials are hopeful that any trade disruptions will be short-lived. However, some are seeking alternative suppliers in other Asian countries. Others are thinking twice about setting up trade agreements with Chinese companies.

Following the military response to the protesters and subsequent massive arrests and death sentences, President Bush imposed a cutoff of arms trade with China, and Congressional leaders have been beating the drum about more extreme measures against China.

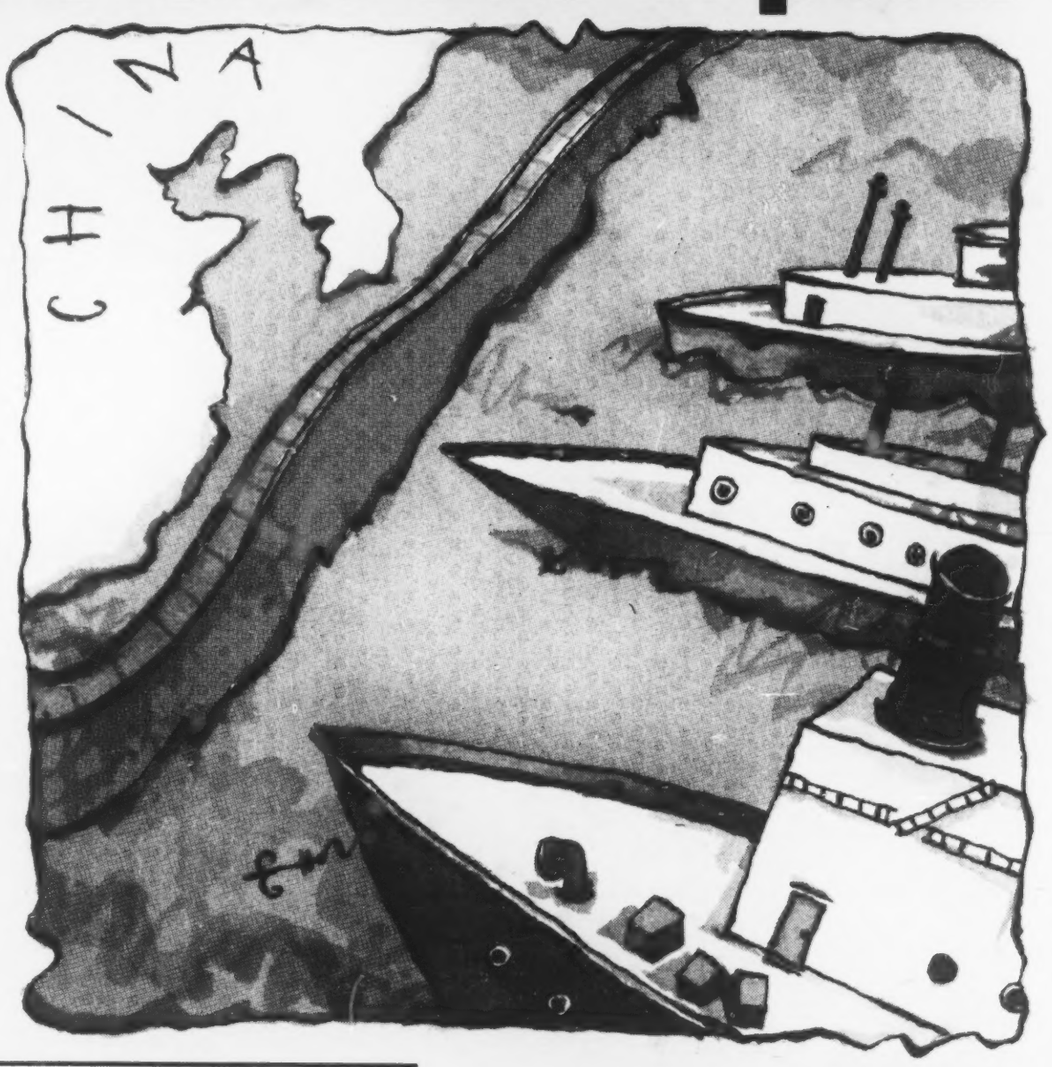
Sporadic shipment delays already seen

American businesses have voiced concern that the turmoil in China will adversely impact trading. Last month, toy manufacturers quoted in *Advertising Age* were frantic about the prospects of missing the Christmas season because of this crisis.

Chinese products are becoming more acceptable to American consumers, as evinced by the $3.4 billion trade deficit the U.S. ran with China last year. But on the strength of last year's lumber exports, this country has a $200 million-plus trade surplus with China on home improvement-related products (*see chart*). That, and the entire trading pipeline, could get clogged by further disruption or friction between the two countries, or if the unrest starts spreading to other areas of China, particularly Shanghai, the business capital and port.

"Retailers here are very nervous about China . . . because they're afraid they

(Continued on page 37)



PERSPECTIVES

Industry trade associations battle to retain members, dollars 13

Dealers brighten and expand their lighting displays 25

Home Depot pushes schedule to make Calif. unit its 100th

By an NHCN staff editor

MONROVIA, Calif. — The Home Depot reached a landmark last month when it opened its 100th store on June 14 in this city five miles east of Pasadena.

That's one day before the Atlanta chain opened its store in Stuart, Fla., which was to have been designated the 100th store. Home Depot's executives decided to bestow that honor on Monrovia for the assistance it gave the chain in that store's development.

"Monrovia, as a store, was a long time coming, and the city had very high expectations about our coming here," explained the chain's director of public relations Lonnie Fogel.

Monrovia was incorporated in

(Continued on page 41)

This Home Depot circular proclaims the opening of the chain's 100th unit.

BMA debuts image campaign

By Tim O'Malley

GREENVILLE, S.C. — After selling off most of its far-flung interests over the last year, Builder Marts of America (BMA) is rolling out a new corporate image with an eye on improving service to its 1,900 dealers.

Perhaps the most symbolic evidence of the leaner profile sought by the employee-owned dealer services group is its new corporate logo, which designates the acronym "BMA" as the official company name. The full name was dropped because many apparently found it long-winded and difficult to remember.

BMA has also introduced a variety of new cost savings and advisory programs for its members, made personnel changes, and assigned each dealer its own team within the organization to promote more personal service.

But the centerpiece of the new campaign—a turnkey program that will seek to capitalize on the growing renovation and remodeling market—has yet to be fully unveiled.

BMA The Power of Teamwork.

Details of this program, and its feasibility, are being worked out by

(Continued on page 41)

Domestic manufacturers join forces to combat "dumping" of locksets

By Brad Altman

WASHINGTON — Domestic manufacturers of residential locksets have joined together and filed an "anti-dumping" petition with the International Trade Commission and Commerce Department, alleging that the Republic of China is selling residential locksets in the United States at unfairly low prices.

A spokeswoman for the ITC said

Merchandising

that commissioners, in a 4-2 vote in early June, agreed that Taiwan may be hurting the domestic residential lockset industry. The Commerce Department is now conducting its own preliminary investigation scheduled to be completed by Oct. 1.

Residential locksets—primarily door-related hardware—imported from Taiwan last year totaled about $46.9 million, or 20 percent of the total residential lockset market, according to Richard Hudnut, a consultant for New York-headquartered Builders Hardware Manufacturers Association (BHMA).

"Not too many years ago, a million dollars' worth" of residential locksets were imported annually, Hudnut said. "There has been a dramatic increase."

The BHMA formed an ad hoc committee composed of representatives of Dexter Lock, Kwikset Corp., National Lock Corp., Schlage Lock Co., Weiser Lock, and Weslock.

"To the best of my knowledge, this is

(Continued on page 37)

INDUSTRY UPDATE

Wickes now plans to expand BE

NEW YORK—Wickes Cos. this year will embark on an expansion and remerchandising program at Builders Emporium, according to the company's co-chairman.

Speaking June 14 at Wickes' annual stockholders meeting at the Helmsley Palace here, James R. Birle said BE will be gearing up for a battle with Home Depot and other competitors in Los Angeles once the company completes its search for a new chain president.

"The L.A. market is a great one," he told a crowd of 30 investors. "We belong there." This comment was made despite persistent rumors on the West Coast that the 120-unit BE remains on the selling block, even though Wickes has officially taken the chain off the market.

Birle declined to reveal Wickes' capital expenditure plan for BE, but said a major reorganization of the chain's merchandising mix was in order.

"I'm not going to get into specifics—I'll leave that up to the new ceo," he said. "But a lot of fine tuning has to be done."

Supply One relocates office

RENO, Nev. — Supply One, a three-store operation whose corporate headquarters have been in Rancho Cordova, Calif., since it was established by the Steiner-Levi family partnership in 1984, relocated its corporate offices to this city June 1.

A 3,000-square-foot office complex was built behind the 30,000-square-foot Reno store. Supply One has another unit in nearby Sparks, Nev., and a third outlet in Hillsboro, Ore.

"It just makes more sense to be closer to your stores," said paint and hardware buyer Rob Long, who is one of about 12 employees who work in the new corporate office.

Stor settles with Ikea out of court

LOS ANGELES — Stor has agreed to some minor layout changes in its three stores to settle a copyright and trademark infringement lawsuit brought by Ikea, a similar European-style home furnishings chain on the East Coast..

Stor also has agreed that the names of some products that currently are identified with Scandinavian words will be changed and that the typeface and layout of its catalogs, which had closely resembled Ikea's, will be modified.

Operational changes will not have "any significant impact," a company statement said. Both sides reportedly will pay their own legal fees as part of the out-of-court settlement.

Stor, the City of Industry, Calif.-based contemporary home furnishings retailer, was launched in 1987 by former Ole's Home Center ceo Harvey G. Knell.

Toro enjoys record 3Q earnings

MINNEAPOLIS — The Toro Company reported the highest third quarter earnings in its history, despite a 2.5 percent dip in sales.

Revenues fell to $204.7 million for the three months ended April 28, yet they still rose 3 percent for the current nine-month period to $506.1 million.

In a prepared statement, management reports it is encouraged by overall demand for Toro products, but also expressed concern about the late spring in several markets and the "potentially difficult marketing environment that creates" for Toro lawn mower products.

Net earnings for the most recent quarter were up 5 percent to $8.2 million and for the nine months earnings rose from $18.1 million to $19.8 million, a 9 percent gain.

Earnings per share climbed from 73 cents to 79 cents, good for an 8 percent increase for the three months. And for the nine months, earnings per share jumped 13 percent to $1.89.

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Real estate developer joins Handy Andy in acquiring Central

By Gary S. Ruderman

SCHAUMBURG, Ill. — One of the country's largest real estate developers is now an equity partner with Handy Andy Home Improvement Centers in its acquisition of the Central Hardware chain.

JMB Realty Corp., a Chicago-based developer with projects around the country and the owner of Urban Investments Inc., was brought into the Central purchase prior to its June 13 closing, according to Steve Kadish, Handy Andy's president.

A source close to the deal confirmed that discussions were underway for "key, top management" of Central to take an equity position in the new venture (*NHCN*, May 22). The choice of participants from the 38-unit Central and Witte Hardware, a St. Louis hardlines distributor, will be up to Central's president, Jim Cohen.

Cohen began the selection process following the closing but would give no details. *NHCN* believes, based on interviews, that Neil Marglous, president of Witte, will be one offered a stake.

Central, based in Bridgeton, Mo., outside St. Louis, had estimated sales of $275 million last year. Witte reported 1988 sales of $75 million. Central owns about half of its 38 locations in five states, and leases its other stores.

Handy Andy, which is 65 percent owned by Belgian retailer GB-Inno-BM, had 1988 sales of $370 million from 49 stores in five states.

Principals of JMB, chairman Judd Malkin and president Neil G. Bluhm—who according to Kadish are boyhood friends of Handy Andy's chairman Ron Rashkow—join GIB Group (GB Inno's holding company) and New York investment firm Salomon Brothers in the $245 million purchase of Central.

Kadish would not divulge

(Continued on page 42)

Jaffee maps out new strategy for the troubled National Lumber

By an NHCN staff editor

GARDEN GROVE, Calif. — "We are not for sale."

So declared National Lumber president and ceo Melvin Jaffee following the beleaguered 20-unit chain's annual shareholder's meeting held here in mid-June.

Responding to rumors that the troubled chain is on the selling block due to lackluster sales and earnings, Jaffee, who owns 50 percent of the common stock, said he was "positive that we are going to pull out" of the nosedive that has seen National lose $6 million in the last five quarters.

Melvin Jaffee

He said his optimism was based on "running our business and not theirs," a reference to competitors in the markets served by the Fountain Valley, Calif.-headquartered chain, which Jaffee said represent "the most hostile retail environment in the United States, with literally dozens of new warehouses and home centers surrounding us."

Management changes

But the ceo confirmed that National Lumber has "made some mistakes—and we are correcting those mistakes."

The major effort he revealed at the shareholders' meeting is to restructure the

(Continued on page 37)

Lampert's new director of stores seeks more solid presentation

By an NHCN staff editor

ST. PAUL, Minn. — Growth through increased profits and not necessarily new stores is the goal of Kenneth D'Anastasio, a former Grossman's official who became Lampert Lumber Co.'s director of stores last month.

This is a new position for the 44-unit company based here, and D'Anastasio will be responsible for the operation and management of the chain. He will also serve on the senior management committee.

"We want to continue to grow not only in sales, but specifically in profits," said D'Anastasio. "Certain things within the stores need to be looked at as far as presentation," including an effort to get more women to shop at Lampert, he added. The director of stores also plans to get the units' "interiors merchandised as well as possible."

D'Anastasio feels Lampert's strong points include "a culture which allows people at the company to excel" and dedicated long- and short-term employees.

Before joining Lampert, D'Anastasio, 37, was with Grossman's, the Braintree, Mass.-based chain, for 13 years. His positions there included store manager, district manager and zone manager.

F. Joseph Hayes, Lampert Lumber's ceo, said D'Anastasio's appointment will "substantially strengthen Lampert's senior management."

The creation of this position comes a little more than one month after former Lampert president George Poulos left the company for unspecified reasons. Hayes does not plan to replace Poulos, who was an officer with Hayes and Denver businessman Josh Hulce in the holding company that bought Lampert last summer.

Lampert Lumber had 1988 sales of $90 million, a decline of $1 million from 1987. It operates units in Minnesota, North Dakota, South Dakota and Nebraska.

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The *NHCN* Annual Census of the home improvement industry's top 300 retailers inadvertently left off the above three companies.

Company	In Millions Sales 1988	Sales 1987	% Change 1987-1988	% DIY 1988	% DIY 1987	Number of Stores 1988	Number of Stores 1987	Showroom sq. ft. Store avg. 1988	Showroom sq. ft. Store avg. 1987	SKUs store Average 1988	SKUs store Average 1987	Employees 1988	Employees 1987
Builders Discount, North Hollywood, Calif.	$55	$46	19	50	50	3	3	85,000	85,000	24,500	22,000	300	280
Hammond Lumber, Belgrade, Maine	24	22	9	40	40	3	3	7,600	7,600	4,000	4,000	105	85
Knecht Home Centers, Rapid City, S.D.	15	13	15	40	40	4	4	20,000	20,000	45,000	45,000	120	115

Veteran Lanoga exec departs after management shifts

By an NHCN staff editor

REDMOND, Wash.— A veteran Lanoga Corp. executive has resigned in the wake of a reorganization of Lanoga's top management at its Pacific Northwest and Alaska operations.

Bill Cromett, executive vp-marketing for Lanoga's western group, said he would leave the company on June 30 after 10 years with Lanoga.

His departure was prompted by the naming of new general managers at Lanoga's 13-unit Lumbermen's stores located in Washington and Oregon, and at its nine Spenard Builders Supply stores in Alaska.

Lanoga president and ceo Daryl Nagel said Cromett had been under consideration for the newly created position of general manager and executive vp of Lumbermen's, Olympia, Wash., a post that was ultimately filled by M. David Dittmer, Lumbermen's vp-operations.

Michael A. Buza was named gm and executive vp at Anchorage-based Spenard.

The management changes were prompted by the March 31 resignation of western group president Edwin M. Savage, who had been in charge of both Spenard and Lumbermen's since May 1987. Nagel said the new management organizational structure was chosen because it was "more logical" than having a single executive manage the two chains which are geographically remote from each other.

Dittmer joined Lanoga in 1984 after 10 years with Payless Cashways, ending his tenure there as Indiana district manager. Originally named manager of special projects, Dittmer had been vp-operations for Lumbermen's since 1987.

Nagel said he "skipped over" Cromett and chose Dittmer for the top Lumbermen's position because Cromett's "expertise is in the marketing area."

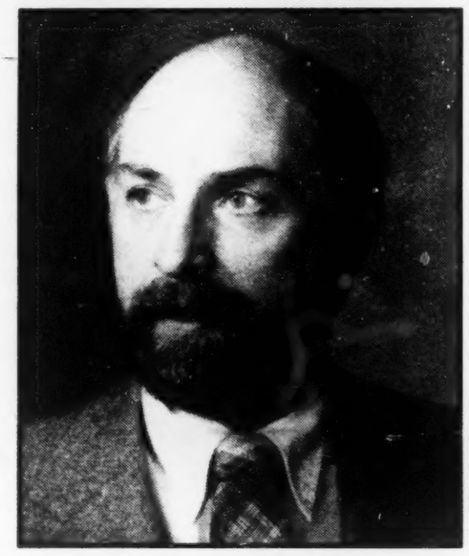
Rather than report to Dittmer, Cromett decided to leave the company. "I hired Bill 10 years ago and I have the greatest respect for him," Nagel said. "He has a lot to offer somebody."

Cromett, a 22-year industry veteran, held the No. 2 post at Lumbermen's since 1984. Previously he was vp-marketing and merchandising for 104-unit United Building Centers, a Lanoga-owned company headquartered in Winona, Minn.

He also has been a district manager of Lampert Lumber Co., St. Paul, Minn.

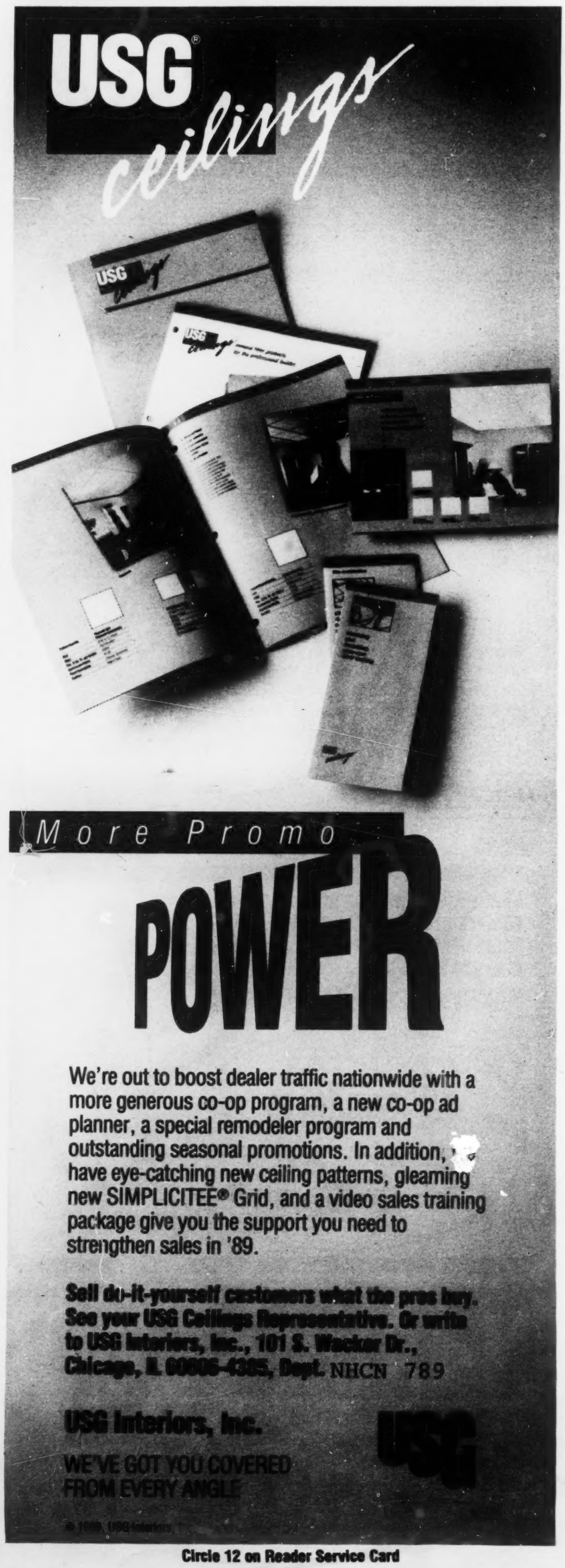
Cromett said he planned to stay in the Pacific Northwest but has not determined what he will do next.

Lumbermen's and Spenard will continue to share a common support staff that provides accounting, MIS, marketing and distribution services for the two divisions. Douglas T. Grover, formerly general merchandise manager for both chains, is now director of marketing.



NHCN photo

Bill Cromett, executive vp-marketing for Lanoga's western group, was slated to leave the company June 30.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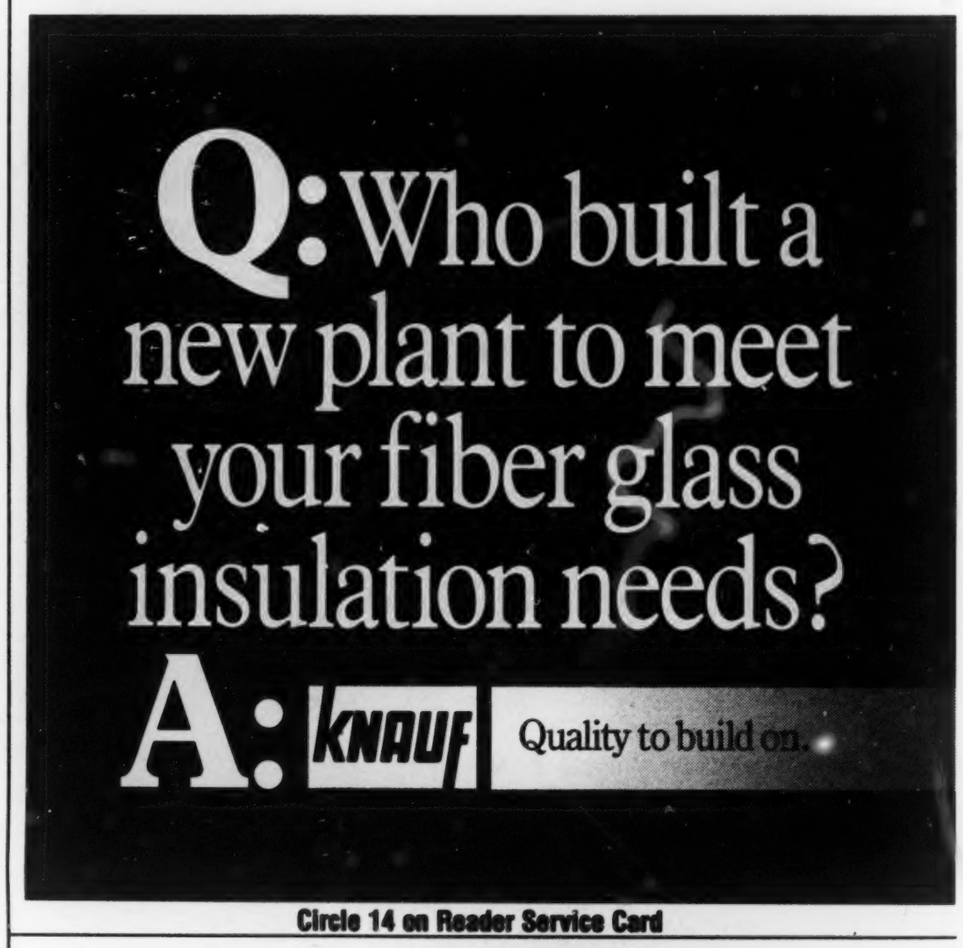

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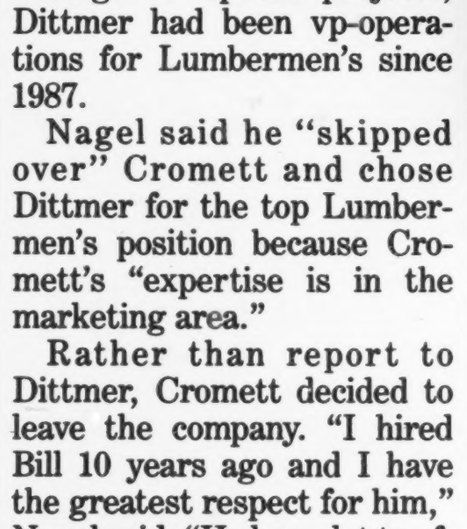
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EDITORIAL

Retailing for $200. The answer is...

One of our editors was recently accepted as a contestant on the game show Jeopardy.

His success, he explained, would depend on whether the question categories were among his areas of trivia expertise.

Suppose he gets to the taping, I wondered, and Alex Trebek announces, "The questions today will all be about retailing."

Ken Schept
NHCN Editor

Our Guy: I'll take current events for $100.

Trebek: An endangered species that threatens the industry.

Our Guy: What is the Spotted Owl?

Trebek: No. I'm sorry.

Opponent: What are profits?

Trebek: Yes.

Opponent: Current events for $200.

Trebek: This well-known celebrity has done more than anyone in history to move items through stores.

Opponent: Who is Elvis?

Trebek. No.

Our Guy: Who is Dr. Wally?

Trebek: No. I'm sorry we can't accept that. We were looking for, who is Bob Vila?

Opponent: Merchandising for $100.

Trebek: You're a growing regional manufacturer. A major retailer says it will take on your line nationally only if you buy all your competitor's merchandise now in the stores.

Opponent: What is extortion?

Trebek: I'm afraid we can't accept that. Think of it from the retailer's viewpoint.

Our Guy: What is partnership?

Trebek: Yes.

Our Guy: Merchandising for $200.

Trebek: The same manufacturer changes packaging from green to blue.

Our Guy: What is a new product?

Trebek: Yes.

Our Guy: Merchandising for $300.

Trebek: A commodity often in short supply.

Our Guy: What is gypsum?.

Trebek: Sorry, no.

Opponent: What is imagination?

Trebek: Well done.

Opponent: Operations for $100.

Trebek: Identify this quote. "I don't work in this department."

Opponent: "What is customer service?"

Trebek: Yes.

Opponent: Top management for $100.

Trebek: Identify this quote. "We can turn things around."

Opponent: What are famous last words?

Trebek: Yes.

Opponent: Top management for $200.

Trebek: Usually blamed for why things don't turn around.

Opponent: What is the weather?

Trebek: Good.

Opponent: Top management for $300.

Trebek: What management turns to when things don't turn around.

Opponent: What is the sale of assets?

Trebek: Looking for something else here.

Our Guy: What is a golden parachute?

Trebek: Yes.

Our Guy: Top management for $400.

Trebek: Identify this quote. "He left to pursue other interests."

Our Guy: What is playing golf?

Trebek: Right. And we're out of time for today.

—Ken Schept

COMMENTARY

Déjà vu the norm in store design today

Neither a borrower nor a lender be;
For loan oft loses both itself and friend.

—Hamlet, Act I, Scene iii

What's the home improvement industry coming to when "The World's Most Unusual Lumber Yard" turns its back on Polonius' sage advice to Laertes and starts looking like everyone else?

John Caulfield
NHCN Executive Editor

Hechinger, which touts its stores under that slogan, has always prided itself on being one of this industry's leading innovators. Many merchandising and store design concepts commonly found in stores around the country had their genesis in a Hechinger unit.

The chain also protects its ideas as if it's discovered the solution for cold fusion. Hechinger is singular among the industry's 10 largest chains in not allowing photographs to be taken in its stores for fear competitors will "steal" some display nugget.

Guarding one's claims to proprietary uniqueness is no crime, and Hechinger has been ripped off enough times to make its officials skittish. It now appears, though, that Hechinger is becoming somewhat less "unusual" by hopping on the bandwagon of retailers who have remade their own stores' image by grafting onto them other companies' in-store presentations.

In its two stores in the Syracuse, N.Y., market, Hechinger—in industry parlance—appears to have "borrowed" liberally from other chains. H-frame racking abounds in its Dewitt store, and reinforces its resemblance to HQ Warehouse, Hechinger's own subsidiary, as well as Builders Square, with which Hechinger now competes in the Northeast.

At its store in Cicero, N.Y., which opened last month, there are traces of merchandising, store configuration and display ideas that appear to come from Grossman's, Mr. Goodbuys and Chase-Pitkin, another new entrant into Syracuse.

And one of Hechinger's trademark departments—"The Cookery," with its extensive array of housewares, which is the first thing customers see when they walk into most of its units—has given way in the front of the Syracuse stores to paint and sundries, to which many dealers give the same play and position.

Originality is becoming a lost art in home improvement retailing these days, as dealers prefer an expeditious adherence to the adage that necessity is the mother of invention.

The necessity for Hechinger, as it is for every dealer in the country, is to come up with an invention to compete against warehouse operators, especially The Home Depot. And if that means adopting some of their features or merchandising, so be it. Who's to say that Hechinger won't improve upon and then mold the ideas from other companies to its own style?

We have entered an era where distinctiveness in store design has lost its luster. But dealers need to fill that void with services and product assortments that distinguish them from everyone else. To do otherwise would be to run the risk, as Polonius noted, of "losing" their "friend"—the customer.

—John Caulfield

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"Sure, we can afford it. The price is almost what you told me you saved at the piano sale."

Turmoil in China threatens to disrupt the industry

(Continued from page 1)
might not get their goods," says Corey Leen, a salesman with Leen and Associates, an importing company in Bellevue, Wash.

Delays have already surfaced. HomeClub was supposed to get two shipments of shelving from China in May. Now, the 46-unit operator, based in Fullerton, Calif., is looking at a July delivery date, according to import coordinator Maria Chen.

HomeClub does not plan to buy any Chinese products after this pending shipment, though Chen declined to attribute this decision specifically to China's unrest.

ServiStar, the Butler, Pa.-based hardware cooperative, is seeking alternative sources of supply to replace some Chinese products which became tied up in transit.

"A couple of shipments from northern China are currently jammed and we probably won't see them," Harry Klaus, the co-op's import buyer, predicts. The co-op has started to order laundry baskets from domestic vendors.

Other Chinese-made products the co-op carries for its 3,700 dealers include hand tools, utility knives, and Christmas products.

Klaus believes things will eventually stabilize. But retailers won't have "normalcy we've known for awhile."

No longer seen as safe haven

China is in the midst of an economic reform movement and is in desperate need to sustain the corridors of trade. With a 30 percent inflation rate, China can ill-afford any more economic problems.

"The border will be open," predicted Leo Corwin, vp-merchandising for Builders Square, the Texas-based chain which purchases Chinese ceiling fans. Corwin had been the head of international buying at K mart, Builders Square's parent.

However, China is also surrounded by other Asian countries that are more than willing to pick up its trading slack.

Its military response and death sentences to protesters have done little to improve its image as a safe haven for foreign investment. The Commerce Department states that over 350 American companies have invested $3.5 billion in China over the past decade, and one of the long-term ramifications of its actions against the protestors could be a reexamination by American suppliers about exploring new opportunities in China.

About a year ago, Richard Ayers, the chairman of Stanley Works, the New Britain, Conn.-based supplier, visited China "to explore [the country] as a market opportunity," according to Ronald Gilrain, Stanley's vp-public affairs.

Now, even though Stanley's "still committed to be an important factor in the Asian market," Gilrain said "we feel a little more cautious there with the unrest politically and socially."

Weyerhaeuser, the forest products producer headquartered in Tacoma, Wash., pulled Mike Bickford, its Beijing-based representative, out of that city on June 5 and restationed him in Hong Kong.

Bickford would normally be negotiating third quarter sales with the Chinese at this time, but Chinese officials have put that on hold, according to Ted Nelson, vp of timberland and external affairs for Weyerhaeuser's Washington division.

The last vessel loaded with Weyerhaeuser logs and pulp for China left the U.S. June 6 and another won't set sail until those negotiations resume, adds Nelson.

Felt less by some firms

Other suppliers have been touched by the crisis in China, although they report it has been less calamitous to their businesses.

This is particularly true for vendors with plants in the calmer regions outside of Beijing such as Quinyaun City 100 miles to the south, where American Standard continues to operate a 110,000-square-foot manufacturing facility manned by 10 Americans and 300 Chinese workers, according to vp-business development Hank Kelbaugh.

Georgia-Pacific, the Atlanta forest products producer, exports pulp and liner board to a few firms in China. The company's manager of corporate communications, Sheila Weidman, said that business should continue uninterrupted.

American Brush Co., Claremont, N.H., has seen "no impact" on its importing of finished paint brushes from China, according to vp-marketing Pam Smith.

"We have plenty of inventory right now. The problem would be if the inventory can't be replaced," Smith says, which could lead to a significant hike in retail prices later this year.

Indeed, the unpredictability of China's political and economic future will probably play on American companies' business plans at least through the remainder of 1989 and possibly beyond.

Even optimists such as Leen, the Washington State importer who sees retailer reaction here as exaggerated, believes it will behoove the Chinese government to resist any provocation or bloodshed, which could lead to a more serious curtailment of trade with the U.S.

Klaus of ServiStar was more blunt in his assessment. "If [the Chinese] want to resume normal trade and keep the dollars coming in, they'll have to settle things down."

Tim O'Malley contributed to the reporting of this story.

U.S.-China Trade

Category	U.S. Imports 1988	U.S. Imports 1987	U.S. Exports 1988	U.S. Exports 1987
Lumber (softwood, primarily logs)	$2,000	$0	$437.8 mil.	$164.5 mil.
Lumber low processed, tongue and groove	$1.6 mil.	1.2 mil.	9.3 mil.	2.8 mil.
Paints, varnishes pigments	$703,000	523,000	5.8 mil.	1.5 mil.
Veneers, plywood (processed wood)	$330,000	328,000	147,000	66,000
Specialty woods	$21 mil.	13 mil.	835,000	773,000
Carpeting	$103.5 mil.	93.7 mil.	579,000	165,000
Fasteners	$55.7 mil.	44.9 mil.	1.3 mil.	559,000
Hand tools	$56.6 mil.	35.0 mil.	10.4 mil.	5.9 mil.
Plumbing/elect.	$21.8 mil.	5.4 mil.	3.1 mil.	2.5 mil.
TOTALS:	**$261.2 mil.**	**$194.1 mil.**	**$469.3 mil.**	**$178.8 mil.**

Source: International Trade Commission — *NHCN* chart

National Lumber refutes rumors of a sale

(Continued from page 2)
operations department. In a "mutual decision," Jaffee said, vp-operations Craig R. Schumacher left the company this past April after 19 years with National Lumber.

Schumacher's job was filled by William S. Takacs, who joined the company in August 1988 as director of planning and has now been given a new title of chief of operations.

As *NHCN* went to press, Schumacher could not be reached for comment. He started in 1970 at National Lumber as a lumber salesman. In 1977 he was promoted to operations manager and in 1982 to vp-operations.

Takacs "has extensive experience in management and budgeting as well as hands-on experience in home center operations," Jaffee said. Before arriving at National Lumber, Takacs was vp administration for the Los Angeles-based May Company department store chain. Previously he held several retail-related posts, including serving for four years as a senior financial analyst with W.R. Grace's home center division.

As previously reported, National Lumber lost $4.6 million on sales of $152 million for the 1989 fiscal year, a 4 percent decrease from the $158.7 million volume in the previous year when net profits were $229,000. In its first quarter, the chain lost $1.4 million on decreased sales of $34.3 million.

Jaffee told shareholders the company is taking specific actions "to correct this poor performance." He added, "Overall, we expect to see a reduction of approximately $5 million in direct and indirect costs this year."

National Lumber eliminated 300 of its 1,500-person workforce. Jaffee revealed that the cutbacks lowered payroll costs by approximately $2 million.

Among other changes, Jaffee said all customer service desks are being moved to "a more forward position in our stores to make quicker contact with customers."

He said the company would obtain annual savings of approximately $400,000 to $500,000 by such changes as switching from paper bags to plastic, by changing the in-store sign program to lower production costs and by reducing the costs of refuse pick-up by recycling cardboard.

Advertising costs have been cut by $1.5 million; a company medical plan has been modified by slightly increasing employee costs, "decreasing our costs by $600,000," Jaffee said.

Domestic lockset makers file with ITC

(Continued from page 1)
the first time the industry as a whole looked into this aspect" of possible lockset violations of the U.S. anti-dumping act, said Jack Wood, vp-business development for Kwikset, a California-based division of Emhart.

The ad hoc committee believes that the allegedly dumped Taiwan locksets entering the U.S. are sold at prices "below fair market value," said Wood. The petition requests that the U.S. require greater import duties on Taiwan locksets.

Because the ITC ruled in favor of continuing the investigation, the case now shifts to the Commerce Department which will launch its own inquiry.

The BHMA's Hudnut said the U.S. residential lockset manufacturers allege they have been injured by their inability to make "normal increases in prices reflected by the [rising] costs of raw materials."

Hudnut added that domestic manufacturer margins "were shrinking because of the inability to raise prices" due to competition from Tawain.

The ITC spokeswoman said Taiwan residential lockset manufacturers currently pay a "small amount of duty" but if the case "goes to a final anti-dumping duty order, they will be assessed additional duties."

Hechinger undergoes a facelift to help boost store productivity

(Continued from page 3)
ufacturer's list prices. This off-price message is being transmitted powerfully to Syracusans.

Hechinger's ads in this market also depict a new image for its stores here. A 64-page tab still uses its cartoon characters Harriet and Harry Homeowner, but is also crowded with black and white stencilled line drawings and "hot" prices. Each page makes a pun of the price theme. For example, "our prices are a breeze," "trimmer prices" and "blinding low prices."

"It's no good having sharp prices if the public is not aware," said Redfern. "We're already in the market trying to make a strong statement and want to make the customer more fully aware."

Hechinger has operated one store in Syracuse since 1986, when it opened in Dewitt, south of Syracuse.

The chain's everyday low pricing is timely, as Chase Pitkin, the Rochester, N.Y.-based company, is also using this strategy chainwide. It has just entered the Syracuse market with a store in Clay, four miles from Cicero. Its second unit, in the Great Northern Mall, is slated to open in September.

Business Watch

stocks

Makita celebrates the expansion of its U.S. production facility

By an NHCN staff editor

BUFORD, Ga. — Makita, the power tool maker, recently completed expanding its plant here to 200,000 square feet.

The additional space will allow the Japanese-based company to produce half of its U.S. volume in Georgia by the end of 1990, according to Kinya Takeuchi, president of Makita Corporation of America.

Currently, about one-third of Makita tools sold in the U.S. are produced at the Buford plant, which sits on about 80 acres in Gwinnett County just north of Atlanta.

The plant will double in size to about half a million square feet by the mid-1990s, according to Takeuchi.

"This will put Makita closer to the American consumer," he said, during ceremonies last month celebrating the plant expansion.

The Buford plant was opened in 1985 and is Makita's only manufacturing operation in the U.S.

Nine different tools are produced there. By the end of the year another 6 to 10 tools, now made in Japan, will be produced in Buford.

This year the Georgia operation should produce 1.2 million of the three million tools that Makita expects to sell in the U.S., according to Noris Hattori, president of Makita U.S.A., which markets the company's products through seven sales and distribution centers.

He said that the U.S. currently accounts ~~for about~~ one-third of Makita's worldwide sales. According to Hattori, Makita currently controls about 15 to 16 percent of the U.S. tool market and aims for a 25 percent market share.

Industry stocks awaiting takeoff

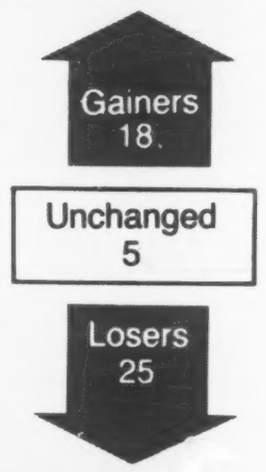
Wall Street continues to hover at post-Crash record highs. But stocks of home improvement related companies have yet to take off in the same fashion.

Following a period of virtually no price movement, 25 of these companies experienced declines in the two weeks ended June 16. There were 18 winners and five companies were flat.

Among retailers, National Lumber's stock was the most volatile, rising by 20 percent to $2.25 per share. This period ended just prior to National's annual shareholders' meeting at which company president Mel Jaffee outlined plans to bolster his chain, which has lost $6 million in the last five quarters (*see page 2*).

Other dealer winners included General Building Products (up 9.1 percent to $3 per share), and Standard Brands Paint (up 8.1 percent to $16.63). Home Depot, which has just announced a stock split, saw its share price fall 6.6 percent to $41.

On the manufacturer side, there were mostly declines. DeSoto's stock continues to exhibit the ups and downs it's had all year, as its stock price fell 12.2 percent to $36. Over 45 million shares of Weyerhaeuser's stock were traded over this 14-day stretch—the most of any manufacturer tracked for *NHCN* by Media General—though its share price showed only a marginal decline.



HOME CENTER MARKET SUMMARY

National Home Center News

Company and Market	Stock Market: Price 2-Weeks Ended 6-16-89	2-Weeks Change Amt.	2-Weeks Change Pct.	2-Week Range High	2-Week Range Low	52-Week Range High	52-Week Range Low	Volume 2-Weeks Shares Traded Total	Volume 2-Weeks Shares Traded % Out	Volume 12-Week Avg. Vol. As % Out	Volume Trend Change	Financial Update: P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Amt.	Latest Quarter Revenue Chg.	Latest Quarter Net Income Amt.	Latest Quarter Net Income Chg.	Latest Quarter E.P.S. Amt.	Latest Quarter E.P.S. Chg.	Year-to-Date Revenue Amt.	Year-to-Date Revenue Chg.	Year-to-Date Net Income Amt.	Year-to-Date Net Income Chg.	Year-to-Date E.P.S. Amt.	Year-to-Date E.P.S. Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																													
Gen Bldg Prods M	3.00	.25	9.1	3.50	2.75	6.00	2.75	338	.84	.30	180.0	NE	.00	.0	.....	3 mos.	02-89	20.9	40.3	- 1.0	NE	- .25	NE	20.9	40.3	- 1.0	NE	- .25	NE
Grossman's Inc M	8.63	- .38	- 4.2	9.75	8.63	9.75	4.88	44,385	16.99	6.32	168.8	15.1	.00	.0	.....	3 mos.	03-89	219.6	7.6	- 7.4	NE	- .28	NE	219.6	7.6	- 7.4	NE	- .28	NE
Hechinger A M	17.38	- .63	- 3.5	18.00	17.25	20.00	15.88	10,483	5.12	3.42	49.7	NA	.16	.9	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B M	18.00	.25	1.4	18.25	17.50	20.00	15.75	362	.24	.13	84.6	14.2	.06	.3	.....	3 mos.	04-89	274.9	15.1	7.3	- 17.0	.21	- 12.5	274.9	15.1	7.3	- 17.0	.21	- 12.5
Home Depot N	41.00	- 2.88	- 6.6	44.00	40.50	44.00	22.88	12,152	2.44	1.39	75.5	25.3	.12	.3	.....	3 mos.	04-89	641.5	43.6	25.9	34.9	.50	31.6	641.5	43.6	25.9	34.9	.50	31.6
Interco N	2.50	.00	.0	3.13	2.50	3.88	1.88	58,093	16.06	4.21	281.5	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
K mart Cp N	36.88	- 1.00	- 2.6	38.13	36.13	40.38	31.25	92,610	4.65	1.85	151.4	9.5	1.64	4.4	.....	3 mos.	04-89	6068.2	3.9	94.1	- 22.1	.47	- 21.7	6068.2	3.9	94.1	- 22.1	.47	- 21.7
Lowe's Cos N	25.50	.25	1.0	25.88	25.13	27.25	18.75	5,230	1.41	.86	64.0	13.9	.48	1.9	.....	3 mos.	04-89	602.1	1.9	14.6	- 3.3	.39	.0	602.1	1.9	14.6	- 3.3	.39	.0
NHD Stores M	8.50	.38	4.6	9.00	8.00	9.00	4.63	397	3.05	1.26	142.1	11.3	.00	.0	NEW	3 mos.	04-89	10.5	7.1	- .1	NE	- .10	NE	10.5	7.1	- .1	NE	- .10	NE
Natl Lumber M	2.25	.38	20.0	2.63	2.25	3.25	1.75	175	.31	.34	- 8.8	NE	.00	.0	.....	3 mos.	04-89	34.3	- 10.0	- 1.4	- 100.0	- .24	- 100.0	34.3	- 10.0	- 1.4	- 100.0	- .24	- 100.0
Scotty's Inc N	16.38	1.00	6.5	16.50	15.25	16.50	10.50	6,271	4.28	2.01	112.9	56.5	.52	3.2	.....	9 mos.	03-89	149.1	8.6	3.4	- 2.9	.23	.0	418.1	6.0	1.4	- 83.1	.09	- 83.9
Sears, Roebuck N	46.00	- 1.38	- 2.9	47.63	45.63	48.13	34.75	65,701	1.78	1.22	45.9	17.5	2.00	4.3	.....	3 mos.	03-89	12160.5	- 1.1	257.7	43.6	.70	48.9	12160.5	- 1.1	257.7	43.6	.70	48.9
Std Brd Pnt N	16.63	1.25	8.1	16.88	15.13	18.50	11.75	5,443	9.52	3.05	212.1	NE	.00	.0	.....	9 mos.	10-88	80.5	2.2	1.3	- 69.8	.17	- 67.3	236.1	- .2	3.9	- 69.5	.50	- 67.7
Strober Organiz M	5.88	- .13	- 2.1	6.13	5.75	11.75	5.25	1,100	1.81	.71	154.9	10.1	.00	.0	.....	3 mos.	03-89	29.5	5.0	.0	- 100.0	.00	- 100.0	29.5	5.0	.0	- 100.0	.00	- 100.0
Wolohan Lumber M	17.75	- .50	- 2.7	18.00	17.25	27.00	14.25	975	1.67	1.97	- 15.2	9.2	.28	1.6	.....	3 mos.	03-89	49.0	15.8	.9	12.5	.15	7.1	49.0	15.8	.9	12.5	.15	7.1
Wholesalers																													
Hughes Supply N	18.50	- .13	- .7	18.75	18.25	19.00	16.50	389	.80	.54	48.1	9.4	.36	1.9	.....	3 mos.	04-89	126.2	8.3	2.0	- 4.8	.41	- 4.7	126.2	8.3	2.0	- 4.8	.41	- 4.7
Moore-Handley M	4.25	.00	.0	4.25	4.25	4.75	3.75	18	.08	.28	- 71.4	NE	.20	4.7	.....	3 mos.	03-89	23.4	- 9.3	- .2	NE	- .07	NE	23.4	- 9.3	- .2	NE	- .07	NE
Manufacturers																													
Am Consum Prods M	9.13	.38	4.3	9.25	8.75	12.50	8.75	120	.46	.21	119.0	12.9	.00	.0	.....	3 mos.	03-89	20.5	17.1	.5	25.0	.18	5.9	20.5	17.1	.5	25.0	.18	5.9
Am Woodmark M	12.25	.25	2.1	12.50	11.88	12.25	8.00	1,910	2.53	.33	666.7	13.8	.00a	.0	.....	9 mos.	01-89	38.9	30.1	1.3	85.7	.17	325.0	118.3	23.2	5.8	31.8	.77	32.8
Armstrng Wrld N	37.75	- 2.00	- 5.0	41.00	37.50	41.00	31.75	18,121	3.92	1.87	109.6	10.8	1.06	2.8	.....	3 mos.	03-89	710.1	12.8	37.4	- 4.1	.81	- 3.6	710.1	12.8	37.4	- 4.1	.81	- 3.6
Black & Decker N	19.63	- .63	- 3.1	20.38	19.25	25.25	18.13	17,120	2.92	3.28	- 11.0	10.6	.40	2.0	.....	6 mos.	03-89	570.7	6.1	25.8	21.7	.44	22.2	1276.2	11.0	64.2	22.8	1.09	22.5
Boise Cascade N	44.75	1.25	2.9	45.63	44.38	47.50	39.25	23,690	5.27	1.76	199.4	6.8	1.40	3.1	.....	3 mos.	03-89	1099.1	8.1	52.2	- 23.8	1.74	18.4	1099.1	8.1	52.2	- 23.8	1.74	18.4
Catalina Lghtg A	12.63	- .38	- 2.9	13.25	11.00	15.25	5.25	5,128	13.96	3.27	326.9	23.4	.00	.0	NEW	6 mos.	03-89	13.1	122.0	.7	250.0	.18	80.0	22.1	104.6	1.1	175.0	.30	76.5
Champ Intl N	34.00	.13	.4	34.38	33.13	38.00	29.50	32,506	3.41	1.69	103.0	6.9	1.10	3.2	.....	3 mos.	03-89	1288.7	1.8	113.5	11.3	1.19	11.2	1288.7	1.8	113.5	11.3	1.19	11.2
Clairson Intl M	5.50	- .25	- 4.3	5.88	5.00	7.38	2.75	782	1.54	2.56	- 39.8	NE	.00	.0	.....	9 mos.	06-88	27.2	46.2	- 2.1	- 100.0	- .43	- 100.0	78.4	45.7	- 4.3	- 100.0	- .85	- 100.0
Cooper Indus N	32.13	- 1.63	- 4.8	34.25	31.50	34.25	25.06	23,999	2.38	1.01	135.6	14.2	1.00	3.1	.....	3 mos.	03-89	1039.2	12.3	36.0	18.0	.37	15.6	1039.2	12.3	36.0	18.0	.37	15.6
DeSoto Inc N	36.00	- 5.00	- 12.2	43.25	36.00	52.50	29.75	2,040	5.09	3.94	29.2	51.4	1.40	3.9	.....	3 mos.	03-89	99.0	.5	1.4	- 22.2	.35	- 20.5	99.0	.5	1.4	- 22.2	.35	- 20.5
Enhart Corp N	39.63	.13	.3	39.75	39.00	42.75	18.88	1,897	.30	1.96	- 84.7	19.6	.88	2.2	.....	fiscal	12-88	723.2	8.8	33.5	26.9	.52	23.8	2762.5	12.5	126.6	18.9	2.02	18.8
Georgia Pacific N	46.13	- 1.00	- 2.1	47.38	45.38	47.50	33.25	24,062	2.54	1.33	91.0	8.6	1.40	3.0	.....	3 mos.	03-89	2447.0	15.7	154.0	45.3	1.65	61.8	2447.0	15.7	154.0	45.3	1.65	61.8
La Pacific N	33.50	- .38	- 1.1	34.63	33.00	37.50	26.00	10,772	2.79	1.32	111.4	8.7	1.00	3.0	.....	3 mos.	03-89	467.0	- 3.3	39.9	- 14.2	1.06	- 12.4	467.0	- 3.3	39.9	- 14.2	1.06	- 12.4
Macmillan Bloedel M	14.63	- .63	- 4.1	15.25	14.50	17.38	13.88	6,390	.62	.21	195.2	5.9	.80	5.5	NEW	3 mos.	03-89	676.7	4.9	61.5	- 17.1	.57	- 17.4	676.7	4.9	61.5	- 17.1	.57	- 17.4
Manville Cp N	7.63	.00	.0	7.88	7.63	8.88	6.38	7,016	2.92	1.40	108.6	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Masco Corp N	29.00	.13	.4	29.63	28.50	30.00	23.63	32,919	2.40	1.16	106.9	14.5	.48	1.7	.....	3 mos.	03-89	659.0	18.5	65.2	- 14.3	.50	- 16.7	659.0	18.5	68.2	- 14.3	.50	- 16.7
Mor-Flo Inds M	6.88	.38	5.8	6.88	6.25	7.75	4.50	76	.30	.48	- 37.5	NE	.01	.1	.....	3 mos.	03-89	56.1	1.3	- .9	NE	- .36	NE	56.1	1.3	- .9	NE	- .36	NE
Newell Co N	39.00	- 1.50	- 3.7	40.38	37.75	40.88	21.00	5,637	1.93	1.10	75.5	16.8	.76b	1.9	.....	3 mos.	03-89	271.9	15.1	14.0	41.4	.46	43.8	271.9	15.1	14.0	41.4	.46	43.8
Nortek Inc N	9.00	.13	1.4	9.13	8.63	10.38	6.38	2,097	1.42	.59	140.7	21.4	.10	1.1	.....	3 mos.	03-89	319.3	- 5.3	- 4.9	- 100.0	- .34	- 100.0	319.3	- 5.3	- 4.9	- 100.0	- .34	- 100.0
Owens Corn N	31.63	- .25	- .8	33.00	31.38	33.00	19.50	12,156	3.04	1.28	137.5	6.5	.00	.0	.....	3 mos.	03-89	685.0	5.2	34.0	21.4	.82	24.2	685.0	5.2	34.0	21.4	.82	24.2
Ply-Gem A	13.25	- 1.13	- 7.8	14.38	13.25	15.63	11.38	1,342	1.24	1.05	18.1	10.1	.12	.9	.....	3 mos.	03-89	98.3	10.0	2.2	- 35.3	.20	- 33.3	98.3	10.0	2.2	- 35.3	.20	- 33.3
Pope & Talbot N	23.50	- .25	- 1.1	24.00	23.25	24.00	16.13	2,953	2.50	1.06	135.8	8.4	.60	2.6	.....	3 mos.	03-89	147.5	27.5	5.7	- 28.8	.80	19.4	147.5	27.5	5.7	- 28.8	.80	19.4
Pottatch Cp N	35.00	- 2.50	- 6.7	37.63	33.75	38.00	29.00	5,595	2.08	.90	131.1	8.0	1.04	3.0	.....	3 mos.	03-89	297.4	15.2	35.9	35.5	1.30	36.8	297.4	15.2	35.9	35.5	1.30	36.8
PPG Inds N	44.75	- .75	- 1.6	46.00	44.13	46.88	36.25	15,155	1.31	.63	107.9	10.3	1.52	3.4	.....	3 mos.	03-89	145.9	- 89.4	129.8	9.4	1.15	7.5	145.9	- 89.4	129.8	9.4	1.15	7.5
Rep Gypsum N	5.75	.50	9.5	5.75	5.38	6.38	4.25	373	.37	.27	37.0	24.0	.20	3.5	.....	9 mos.	03-89	11.9	.0	.4	300.0	.04	300.0	37.5	- 4.6	1.7	30.8	.17	30.8
Sherwin-Wms N	28.38	- 1.38	- 4.6	30.88	28.25	31.63	24.88	20,655	4.80	1.41	240.4	12.3	.70	2.5	.....	3 mos.	03-89	464.8	12.4	8.8	4.8	.20	5.3	464.8	12.4	8.8	4.8	.20	5.3
Stanley Works N	34.88	.50	1.5	36.75	34.00	36.75	24.00	10,419	2.43	1.26	92.9	14.1	.96	2.8	.....	3 mos.	03-89	480.6	3.1	24.6	15.5	.57	16.3	480.6	3.1	24.6	15.5	.57	16.3
Thos Inds N	19.38	.00	.0	19.38	18.50	23.31	18.25	1,089	1.07	.62	72.6	11.5	.72b	3.7	.....	3 mos.	03-89	87.5	6.6	5.3	6.0	.52	13.0	87.5	6.6	5.3	6.0	.52	13.0
Union Camp N	37.13	.13	.3	38.50	36.75	38.63	31.00	24,775	3.60	1.27	183.5	8.3	1.48	4.0	.....	3 mos.	03-89	706.2	9.4	79.7	17.7	1.16	22.1	706.2	9.4	79.7	17.7	1.16	22.1
USG N	5.50	.00	.0	6.00	5.25	7.75	4.75	12,006	2.22	1.05	111.4	3.3	.00	.0	.....	3 mos.	03-89	538.0	- 3.7	2.6	- 93.5	.05	- 93.5	538.0	- 3.7	2.6	- 93.5	.05	- 93.5
Waxman Ind M	7.88	- .50	- 6.0	8.38	7.88	12.25	7.00	2,598	2.81	1.90	47.9	10.2	.10	1.3	.....	9 mos.	03-89	48.9	26.7	1.8	- 5.3	.20	.0	146.9	31.7	5.1	8.5	.56	12.0
Weyerhaeuser N	29.13	- .50	- 1.7	29.63	28.13	30.88	23.25	45,548	2.24	1.28	75.0	9.6	1.20	4.1	.....	3 mos.	03-89	2321.3	25.1	148.1	29.7	.70	94.4	2321.3	25.1	148.1	29.7	.70	94.4

All Data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

*Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

Management plans buyout of Olympic Home Care

(Continued from page 3)
division. Net income is not disclosed, but last year Olympic Home Care posted pretax earnings of $2.9 million, which is less than 2 percent of Clorox's pretax earnings of $212 million. The division's sales in 1988 were $107 million, or around 8 percent of Clorox's $1.3 billion in revenue.

It could not be determined whether other paint companies would be interested in purchasing the division or its constituent parts. It is believed by analysts covering Clorox that it would be willing to break up Olympic and Lucite in order to sell them separately if there were no buyers for the tandem.

Two of the more likely candidates could be Sherwin-Williams, the largest paint maker in the United States, which does not offer a stain product to compliment its paint brand; and Valspar, the aggressive manufacturer based in Minnesota which markets under its own name as well as Colony Paint and the three divisions sold by Enterprise Paint Cos., which Valspar acquired in 1987.

A spokesman for Valspar declined comment about his company's potential interest in purchasing any part of Olympic Home Care.

The market has changed radically since Clorox acquired these two companies, particularly on the stain side of the business. Olympic's dominance of the market has been challenged recently by the plethora of companies—Glidden, Dutch Boy, Dap, Wolman, Thompson/Formby, Behr, Cuprinol, to name a prominent few—that have brought out house and deck stain products.

Olympic Stain, like so many other products with a high degree of consumer awareness, has evolved into a traffic-building loss leader for many dealers, with the result being low profits.

Some retailers have sought out alternative stain sources to distinguish their offering from their home center and discounter competitors which were offering Olympic. However, other retailers insist that, regardless of its margins, Olympic Stain has emerged as a staple for a full-line paint department.

"There are lines out there you can make a lot more money on, but we all have the fear of walking away from a brand this strong," said a buyer for one of the industry's largest home center chains. "The other brands out there remain untested and unproven for most consumers."

Another East Coast retailer, whose stores dropped Olympic two years ago only to bring it back again last year, laments the "single digit" margins he's getting on the product, but was quick to note that his stores "sell a ton of Olympic; we make up in volume what we lose in profit."

Real estate developer is added to the Central acquisition deal

(Continued from page 2)
what percentage each partner holds in this venture. Central and Witte were sold by their parent, Interco Co. in St. Louis, to reduce debt.

Players added as deal grew

Originally, Handy Andy and its parent company were poised to buy Central alone. But just before the May 8 purchase agreement was signed, Salomon Brothers was asked to participate because of the size of the deal.

With the June closing, Central Hardware becomes an "affiliate" of Handy Andy, meaning the companies share certain common ownership and control. Kadish said Handy Andy anticipates "no changes in Central. It will be run as a separate business, an independent, well-run, free-standing business."

Cohen said he would attempt to emulate the look of Handy Andy's stores. He also thought Central brought distribution and operational expertise to the new venture.

Diamond opens its first unit since bailing from Chapter 11

By an NHCN staff editor

RENO, Nev. — Diamond Company in early June opened its 64th location, and its first since being bailed out of Chapter 11 in April 1988.

The company's newest contractor yard sits on a five-acre former truss-making facility here. It is 70 miles from another Diamond outlet in Lake Tahoe, Calif.

Diamond president Jerry Grubstein said the company had already been doing a substantial business with contractors in Reno. He said some of those accounts, because of their location, will continue being serviced from Lake Tahoe.

The Reno yard has been fully stocked with lumber, and workmen are in the process of converting a 600-square-foot office area into a showroom for building tools. Yard manager Mark Johnson said 90 percent of business will be from contractors.

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